

**Washington, DC** - Today the Republican Main Street Partnership, the largest organization of elected moderate Republicans in the nation, offered six principles for the fiscal year 2005 budget resolution that are designed to put Congress on a path towards a balanced budget.

"These principles stand for the key value that once we adopt a budget, we must have the tools to stick to it," said RMSP member Rep. Mark Kirk (R-IL). "If these principles are adopted, taxpayers and markets will be assured the federal government will spend within its budget."

RMSP's six principles, which are attached, include holding the line on discretionary spending, initiating an ongoing review of long-term federal spending, addressing the unfettered growth of entitlement programs, and reinstating PAYGO rules for both spending and tax cuts. RMSP also believes that only the tax cuts that are set to expire at the end of the year - the marriage penalty, the extended 10 percent bracket and the child tax credit - should be extended this year.

"The budget is not an unimportant document," said RMSP Founder Rep. Amo Houghton (R-NY). "It sets in place the spending amounts and priorities without which we swim aimlessly in numbers that have no meaning. This statement is right on track. We need nuts-and-bolts action to start the process of reining in our spending."

RMSP President Rep. Mike Castle (R-DE) noted that "everything must be on the table" when addressing the budget.

"This Fiscal Year 2005 budget is the immediate challenge, coupled with necessary budget-reform principles we need to enact," he said. "We must hold the line on spending and tax cuts through a multi-pronged approach, and I am pleased that Chairman Nussle and others agree that everything must indeed be on the table. We must find savings where we can, promote efficiency, restrain all domestic spending -- including homeland security and defense -- and evaluate closely discussions of extending tax cuts."

*RMSP is an organization of centrist Republicans who are economic conservatives and take a pragmatic, common-sense approach to social issues. It is the largest organization of elected moderate Republicans in the nation, with over 60 members in the U.S. House and Senate. For more information on RMSP, visit our website at [http://www.house.gov/htbin/leave\\_site?In\\_url=http://www.republicanmainstreet.org](http://www.house.gov/htbin/leave_site?In_url=http://www.republicanmainstreet.org)*

## Republican Main Street Partnership principles for FY 2005 Budget

Dealing with the current budgetary problems requires a multi-tiered approach that focuses not only on discretionary spending, but also mandatory spending as well. Additionally, structural reforms to the budget process must also be incorporated into any budget resolution.

The following is a list of principles around which Republican Main Street Partnership believes the FY 2005 Budget Resolution must be built.

- **Congress must hold the line on FY 2005 discretionary spending.** Congress needs to review all categories of discretionary spending and potential cuts and/or freezes must be distributed equitably. Everything must be on the table.
- **Congress should improve upon the President's plan to reduce the budget deficit.** The President has promised to cut the deficit in half in five years. Congress can and should do better.
- **Any Budget Resolution must include the reinstatement of PAYGO rules for both discretionary spending and tax cuts.** PAYGO rules are vital to ensuring fiscal discipline.
- **Tax cuts should only be extended temporarily and limited to those that are due to expire in 2004.** The marriage penalty, child tax credit and the 10% bracket provisions should be temporarily extended (e.g. two years) before they expire at the end of 2004. We simply can't afford permanent and across-the-board extensions at this time.
- **Congress must initiate an ongoing review of long-term federal spending.** Every part of the discretionary budget needs to be examined and evaluated. Programs and projects that have outlived their usefulness or simply are no longer affordable given the current circumstances need to be identified and funding for them eliminated or greatly reduced.
- **The unfettered growth of federal entitlement programs must be addressed.** Congress has to get serious about reforming mandatory spending programs to reflect the current and long-term demographic realities. We need a systematic review of entitlement programs under a BRAC-type of procedure.